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NPIC/D-318/71

5 JAN 1972

MEMORANDUM FOR: Assistant Deputy Director for Intelligence

SUBJECT : Request for Approval of Cost Growth Amendment for Contract [redacted]

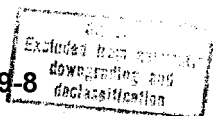
1. This memorandum requests approval for the commitment of funds for an unanticipated cost growth to Contract [redacted]. The specific request is stated in paragraph seven.

2. NPIC currently has a fixed price incentive contract with [redacted] to fabricate a High Precision Stereo Comparator (HPSC) at a ceiling price of [redacted].

3. [redacted] completed the fabrication of the HPSC early in 1971 and delivered the instrument to NPIC in April 1971. In accordance with the terms of Contract [redacted] proceeded to install the HPSC in the environmentally controlled clean room which had been prepared under a separate GSA contract. Between 29 April and 31 August 1971, a series of problems were encountered with the clean room site which prevented [redacted] from completing the installation and checkout of the HPSC. The GSA contractor, who had the overall responsibility for the design and construction of the clean room site, had problems stabilizing the temperature and relative humidity of the clean room. This environmental instability caused [redacted] to lose 1667 man-hours in standby time during the installation period. Since early September, the clean room has been operating reasonably close to specification and [redacted] has now completed the installation and checkout of the HPSC system. NPIC test engineers and photogrammetrists are presently performing acceptance tests on the instrument.

4. [redacted] has submitted a request for an amendment to Contract [redacted] to cover the cost of lost time incurred by [redacted] personnel as a result of environmental problems at the installation site. [redacted] proposes that the basic

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Amendment for Contract [REDACTED]

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contract be modified to cover these added expenses. The proposed modification would be as follows:

	<u>Present</u>	<u>Increase</u>	<u>Proposed</u>
Ceiling Price	[REDACTED]		

25X1

5. NPIC has reviewed each of the claims for lost time submitted by [REDACTED] and it appears that [REDACTED] claims are justified. The environmental condition of the clean room was not adequate for the installation and checkout of the NPSC between the period of 29 April and 31 August. The contractor responsible for the clean room fabrication kept assuring NPIC that the condition would be corrected in a few days, but this stretched out to 31 August 1971. Under these conditions, [REDACTED] personnel had to stand by on a day-to-day basis--expecting to resume work within a short period of time.

25X1

6. [REDACTED] is the project officer. The security classification will be the same as the original contract.

7. It is requested that approval be granted for a cost growth amendment to Contract [REDACTED] in the amount of [REDACTED] to be charged against M account funds, FAN M 155-4111.

25X1

[REDACTED]

25X1

ARTHUR C. LUNDAHL
Director

National Photographic Interpretation Center

Attachments:

1. [REDACTED] Change-in-Scope Request
2. Form 2420

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Amendment for Contract [redacted] with

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APPROVED:

[redacted]
Assistant Deputy Director for Intelligence Date

6 JAN 1972

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